Numerical Approximation of Optimal Strategies for Impulse Control of Piecewise Deterministic Markov Processes Application to Maintenance Optimisation

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Outline

Maintenance optimization

Equipments

- with several components
- subject to random degradation and failures

Maintenance optimization problem: find some optimal balance between

- repairing/changing components too often
- do nothing and wait for the total failure of the system

Optimize some criterion

- minimize a cost: repair, maintenance, unavailability penalty, failure penalty, . . .
- maximize a reward: availability, production, . . .

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Impulse control problem

Impulse control

Select

- intervention dates
- new starting point for the process at interventions

to minimize a cost function

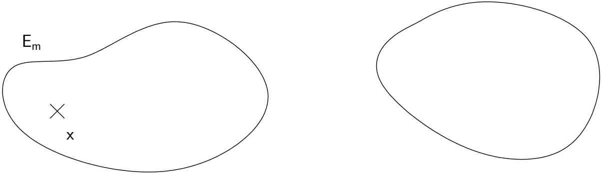
Piecewise deterministic Markov processes

General class of non-diffusion dynamic stochastic hybrid models: deterministic motion punctuated by random jumps.
[CD 89], [Davis 93], [dSDZ 14], . . .

Piecewise deterministic Markov processes

Starting point

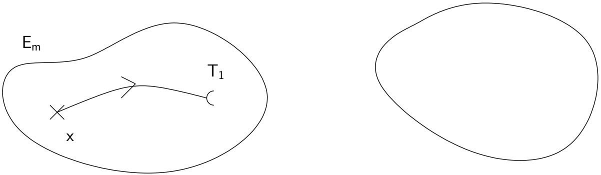
$$X_0 = (m, x)$$



Piecewise deterministic Markov processes

X_t follows the deterministic flow until the first jump time $T_1 = S_1$

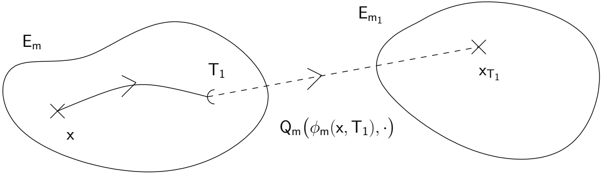
$$X_t = \big(m, \phi_m(x,t)\big), \quad \mathbb{P}_{(m,x)}(T_1 > t) = \mathrm{e}^{-\int_0^t \lambda_m\left(\phi_m(x,s)\right)ds}$$



Piecewise deterministic Markov processes

Post-jump location (m_1, x_{T_1}) selected by the Markov kernel

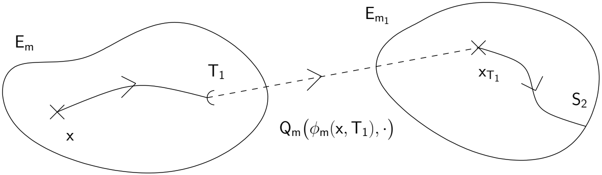
$$Q_m(\phi_m(x, T_1), \cdot)$$



Piecewise deterministic Markov processes

X_t follows the flow until the next jump time $T_2 = T_1 + S_2$

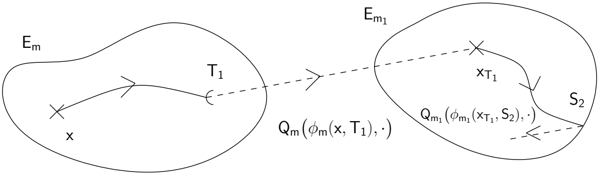
$$X_{T_1+t} = \big(m_1, \phi_{m_1}(x_{T_1}, t)\big), \quad t < S_2$$



Piecewise deterministic Markov processes

Post-jump location (m_2, x_{T_2}) selected by Markov kernel

$$Q_{m_1}(\phi_{m_1}(x_{T_1}, S_2), \cdot) \ldots$$



Embedded Markov chain

$\{X_t\}$ strong Markov process [Davis 93]

Natural embedded Markov chain

- Z_0 starting point, $S_0 = 0$, $S_1 = T_1$
- Z_n new mode and location after n-th jump, $S_n = T_n - T_{n-1}$, time between two jumps

Proposition

(Z_n, S_n) is a discrete-time Markov chain
Only source of randomness of the PDMP

Mathematical definition of impulse control

Strategy $\mathcal{S} = (\tau_n, R_n)_{n \geq 1}$

- τ_n intervention times
- R_n new positions after intervention

Value function

$$\mathcal{J}^{\mathcal{S}}(x) = E_x^{\mathcal{S}}\left[\int_0^{\infty} e^{-\alpha s} f(Y_s)ds + \sum_{i=1}^{\infty} e^{-\alpha \tau_i} c(Y_{\tau_i}, Y_{\tau_i^+})\right]$$

$$\mathcal{V}(x) = \inf_{\mathcal{S} \in \mathbb{S}} \mathcal{J}^{\mathcal{S}}(x)$$

- f, c cost functions, α discount factor
- Y_t controlled process, $\mathbb{S}$ set of admissible strategies

Dynamic programming

Costa, Davis, 1988

For any function $g \geq$ cost of the no-impulse strategy

- $v_0 = g$
- $v_n = L(v_{n-1})$

$$v_n(x) \xrightarrow[n\to\infty]{} \mathcal{V}(x)$$

dS, Dufour, Geeraert, 2017

Construction of ϵ-optimal strategies based on the dynamic programming operator

Dynamic programming

Jump-or-intervention operator

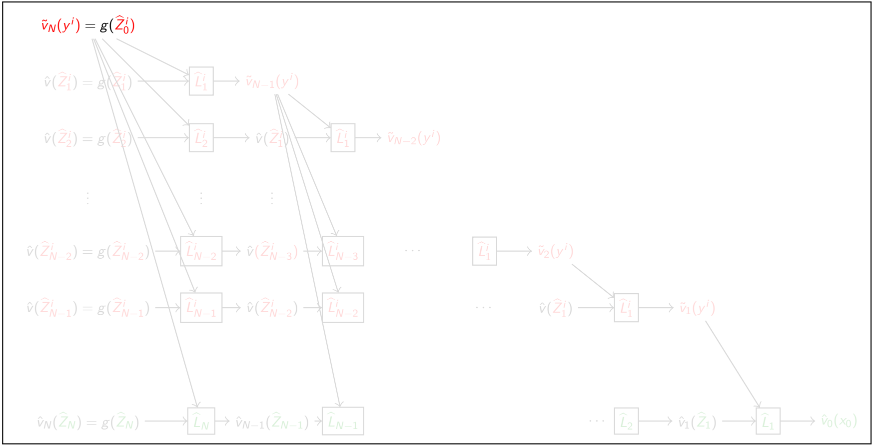
$$
\begin{aligned}
v_n(Z_n) &= L(Mv_{n+1}, v_{n+1})(Z_n) \\
&= \Bigg(\inf_{t \le t^*(Z_n)} \mathbb{E}\Big[F(Z_n, t) + \mathrm{e}^{-\alpha S_{n+1}} v_{n+1}(Z_{n+1}) \mathbb{1}_{\{S_{n+1} < t \wedge t^*(Z_n)\}} \\
&\quad + \mathrm{e}^{-\alpha t \wedge t^*(Z_n)} Mv_{n+1}\big(\phi(Z_n, t \wedge t^*(Z_n))\big) \mathbb{1}_{\{S_{n+1} \ge t \wedge t^*(Z_n)\}} \mid Z_n \Big] \Bigg) \\
&\quad \wedge \mathbb{E}\Big[F(Z_n, t^*(Z_n)) + \mathrm{e}^{-\alpha S_{n+1}} v_{n+1}(Z_{n+1}) \mid Z_n \Big]
\end{aligned}
$$

with

$$
\begin{aligned}
F(x,t) &= \int_0^{t \wedge t^*(x)} \mathrm{e}^{-\alpha s - \int_0^s \lambda(\phi(x,u))du} f\big(\phi(x,s)\big) ds \\
Mv_{n+1}(x) &= \inf_{y \in \mathbb{U}} \big\{ c(x,y) + v_{n+1}(y) \big\}
\end{aligned}
$$

Approximation scheme - Value function

Based on time-dependent discretizations of the state space of (Z_n, S_n)



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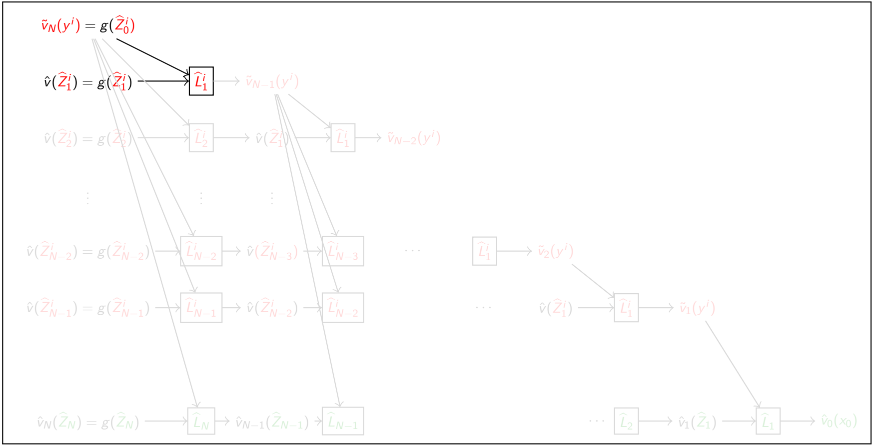

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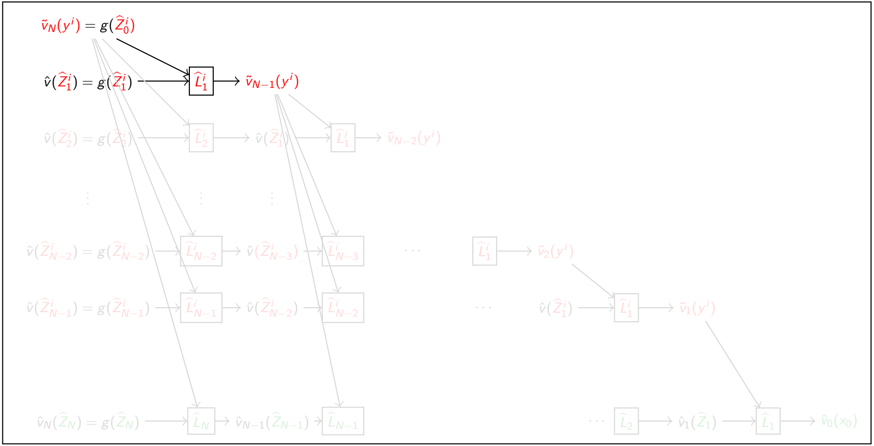

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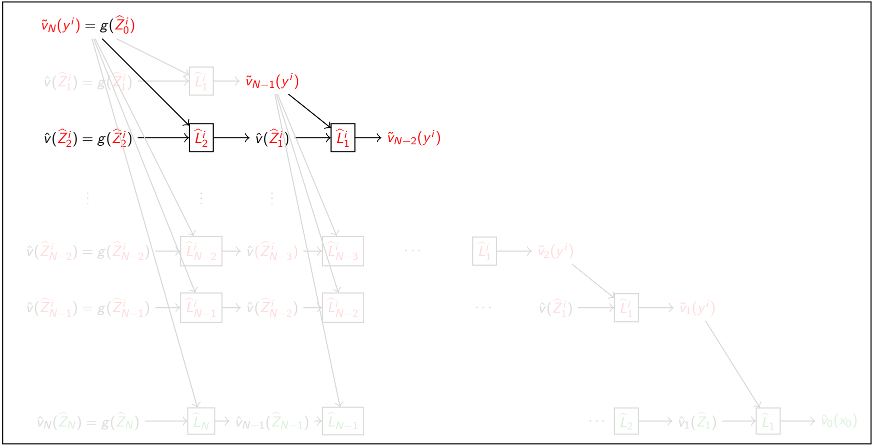

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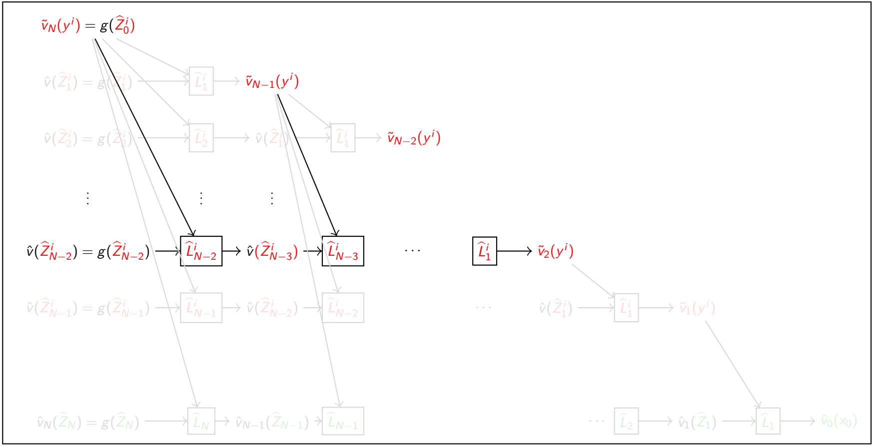

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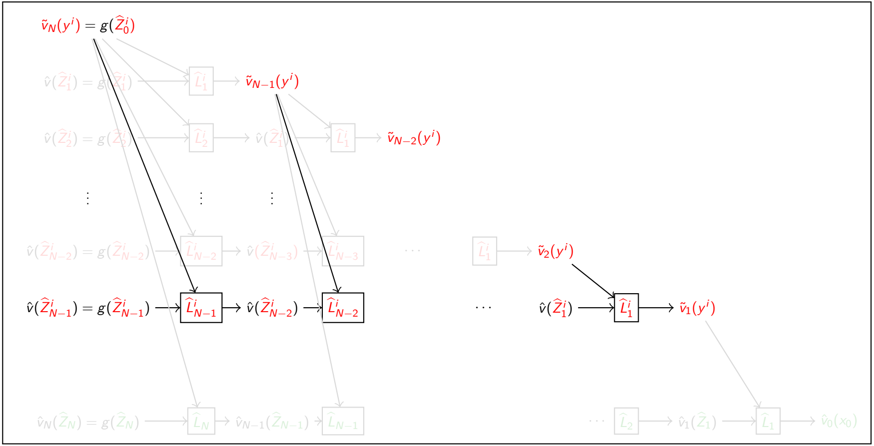

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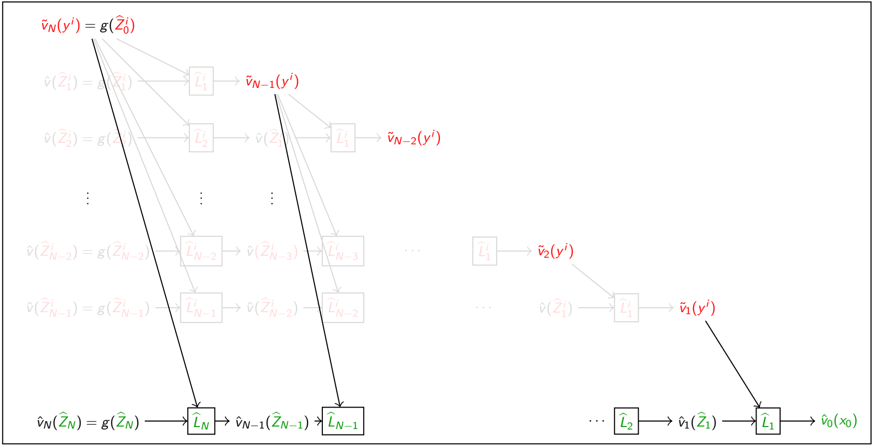
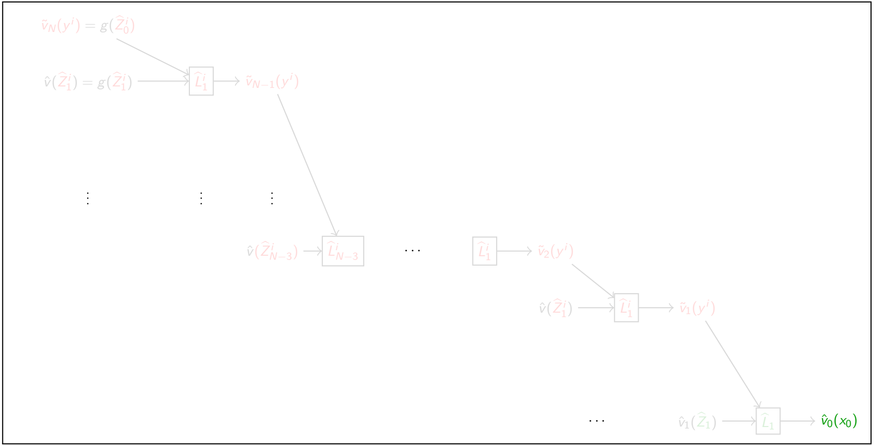


Approximation scheme - ϵ-optimal strategy

Based on time-dependent discretizations of the state space of (Z_n, S_n)



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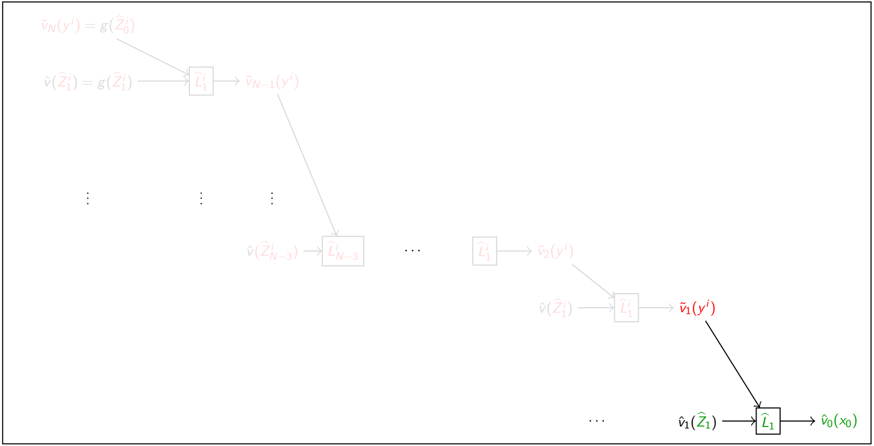

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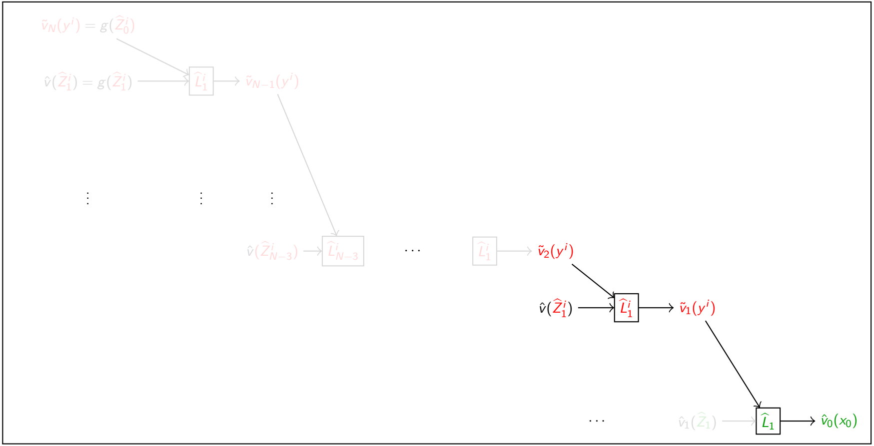

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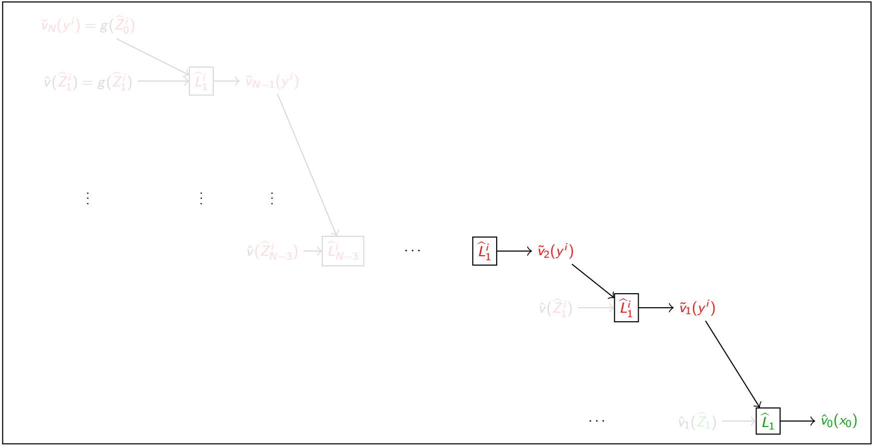

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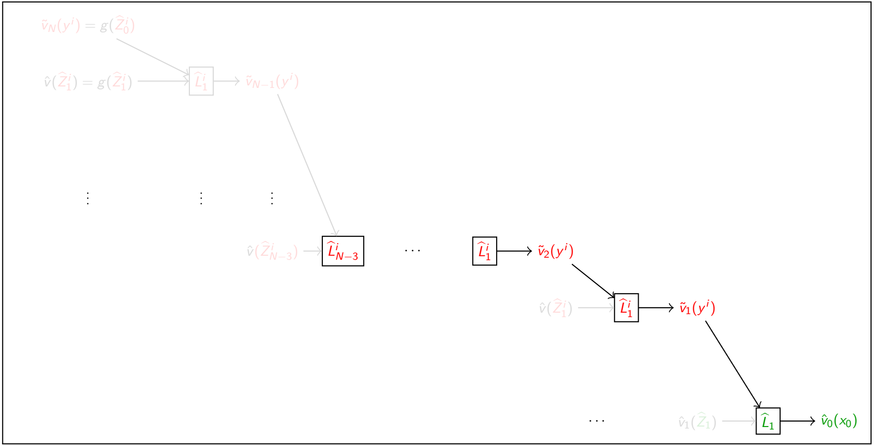

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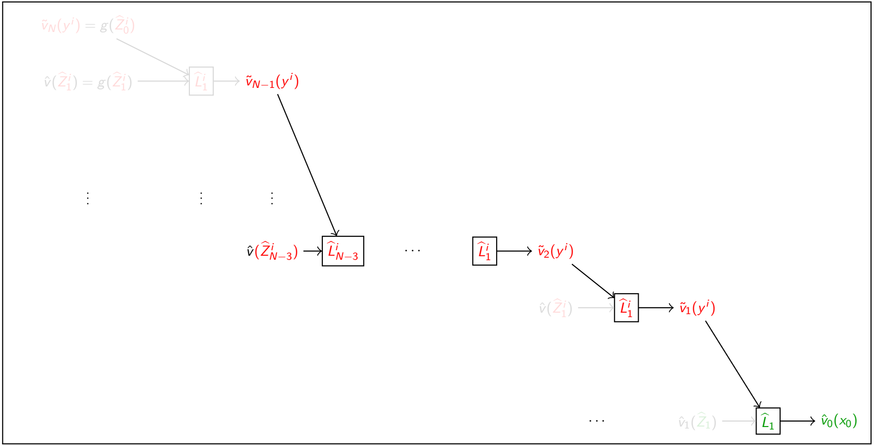

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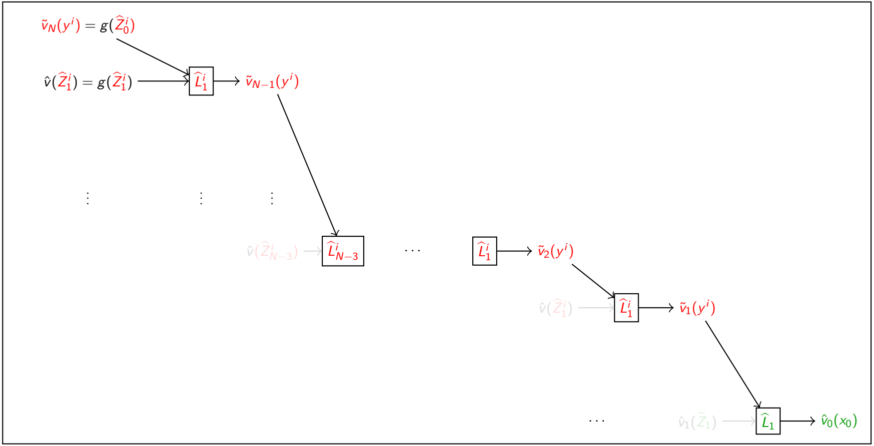

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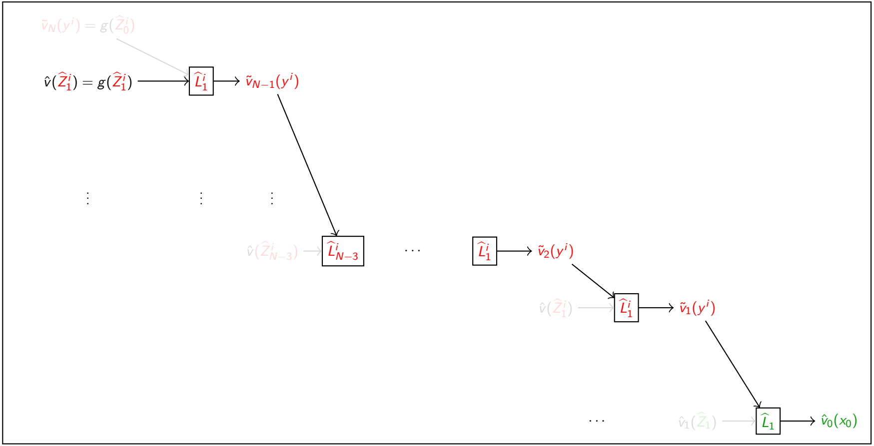
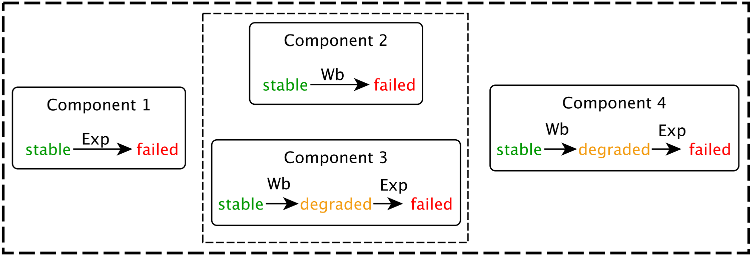


Equipment model

Typical model with 4 components

- Component 1: 2 states – stable $\xrightarrow{\text{Exponential}}$ failed
- Component 2: 2 states – stable $\xrightarrow{\text{Weibull}}$ failed
- Components 3 and 4: 3 states

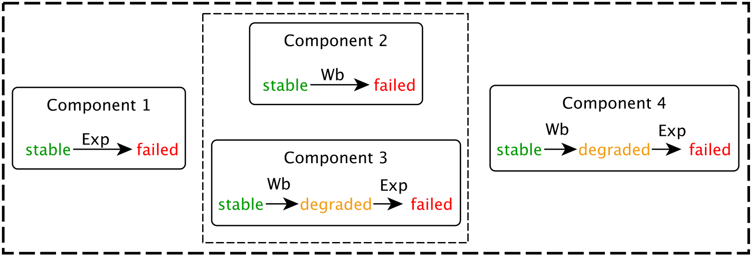
stable $\xrightarrow{\text{Weibull}}$ degraded $\xrightarrow{\text{Exponential}}$ failed



Maintenance operations

Possible maintenance operations

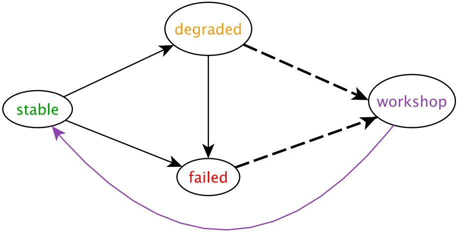
- All components, all states: do nothing
- Components 1 and 2, all states: change
- Components 3 and 4: change in all states, repair only in stable or degraded states



Criterion to optimize

Minimize the maintenance + unavailability costs

- unavailability cost proportional to time spend in failed state
- fixed cost for going to the workshop + repair < change costs



PDMP model of the equipment

- Euclidean variables: 5 time variables
  - functioning time of components 2, 3 and 4
  - calendar time
  - time spent in the workshop

- Discrete variables: 225 modes
  - state of the components / maintenance operations

Parameters to tune

- Number of points in the control grid (underlying continuous model)
- Number of point in the quantization grids for (Z_n, S_n)
- Approximation horizon N such that $v_N(x) - \mathcal{V}(x)$ small enough $\simeq$ allowed number of jumps + interventions
- bounding function g
- Time discretization step for inf

Step 1: Exact simulation of the PDMP

Implementation of an exact simulator for reference strategies to serve as benchmark

- Strategy 1: do nothing
- Strategy 2: send equipment to workshop 1 day after failure, change all degraded components, change all failed ones
- Strategy 3: send equipment to workshop 1 day after degradation, change all degraded components, change all failed ones

Strategy	1	2	3
Mean cost	19952	11389	8477

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Step 2 and 3: Discretisation of the control set $\mathbb{U}$ and te embedded Markov chain

Finite control set $\mathbb{U}$
$\Longrightarrow$ discretize the functioning times at interventions
$\Longrightarrow$ project the real times on the grid feasibly

Compromise between precision and computation time

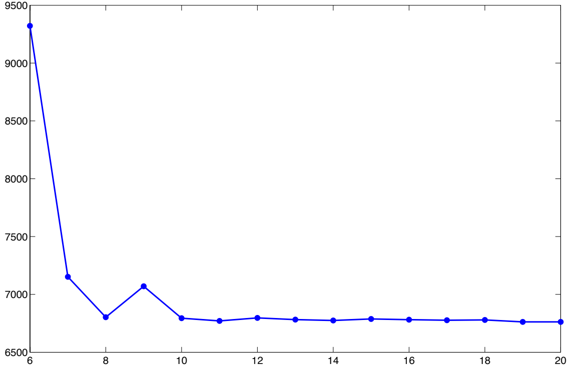
Tests on strategy 3

Grid	Number of points	relative error
$3\times3\times3\times5$	246	0.10344
$4\times4\times4\times5$	331	0.0241
$5\times5\times5\times5$	592	0.0062
$3\times3\times3\times11$	615	0.0341
$4\times4\times4\times11$	923	0.0819
$5\times5\times5\times11$	1855	0.0186
$6\times6\times6\times11$	2110	0.0066
$7\times7\times7\times11$	2617	0.0071
$8\times8\times8\times11$	3359	0.0066
$3\times3\times3\times21$	1230	0.0034
$4\times4\times4\times21$	1899	0.0170
$5\times5\times5\times21$	2960	0.0095
$6\times6\times6\times21$	4220	0.0065
$7\times7\times7\times21$	5536	0.0059
$8\times8\times8\times21$	7111	0.0047

Step 4: Calibrating N the number of allowed jumps + interventions

Horizon N (number of iterations)

- 5 for Strategy 1
- up to 30 for Strategy 2 (mean 6)
- up to 25 for Strategy 3 (mean 6)



Step 5: Approximation of the value function

Strategy 1	Strategy 2	Strategy 3	Approx. Value function
19952	11389	8477	7076

- relative gain of 19.8% vs Strategy 5

Step 6: Optimally controlled trajectories

Strategy 1	Strategy 2	Strategy 3	Approx. Value function	Optimally controlled traj.
19952	11389	8477	7076	6733

- numerical validation of the algorithm with various starting points: consistent results

Conclusion

Numerical method to derive a feasible ϵ-optimal strategy

- rigorously validated [dSD 12, dSDG 17]
- with general error bounds for the approximation of the value function
- numerically demanding but viable in low dimensional examples

References

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[Davis 93] M. Davis, *Markov models and optimization*

[dSD 12] B. de Saporta, F. Dufour *Numerical method for impulse control of piecewise deterministic Markov processes*

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